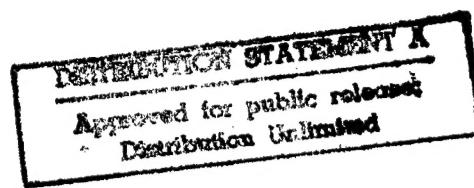




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# **JPRS Report—**



# **China**

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**QIUSHI [SEEKING TRUTH]**

No 12, 16 June 1989

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**China**  
**QIUSHI [SEEKING TRUTH]**  
No 12, 16 June 1989

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**Enhance Our Ability To Think in Theoretical Terms**  
*HK1807090089 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 12, 16 Jun 89 pp 10-15*

[Article by Gu Changchun 0657 7022 2504, vice secretary of the Jilin Provincial CPC Committee]

[Text] In the course of implementing the policy of improvement and rectification and of deepening the reform, it is necessary to sum up the reform experiences of the past 10 years. The successes and errors of the reform have caused us to realize that it is necessary to enhance our ability to think in theoretical terms. Thinking in theoretical terms refers to dialectical thinking, which is characterized by the application of the tenets of dialectical materialism, adherence to the law of the unity of opposites, and application of logical methods in the course of mutual links, changes, and developments. It is different from positivist thinking or empirio-object thinking [jing yan zhi guan si wei 4842 7526 4160 6034 1835 4850], and is a mode of thinking that is diametrically opposed to metaphysical thinking. Enhancing our ability to think in theoretical terms has great significance in the correct handling of the relationships between experience and reason, between duty and interest, between people and things, between the part and the whole, and between a static state and development. It

has also great significance in the better understanding of the spirit and essence of the theory of the 13th CPC Congress, and in the further development of this theory so as to guide the socialist modernization program.

**I. The Reform Practice Calls On Us To Intensify Thinking in Theoretical Terms**

Engels said: "If a nation wants to stand at the acme of science, it should not for a moment be without theoretical thinking."<sup>1</sup> Faced with the difficulties and problems in reform and the errors in our guiding work, some comrades are puzzled or dissatisfied or even feel hopeless. They say by way of criticism that "we have no theoretical guidance for such a great reform." They take exception to the practice of "crossing the river by groping for the stones." How should we approach this question?

Indeed, the preparation for the theory of reform for our country was not enough. Shackled by "leftism," it was impossible to make such preparations. The 5 April movement and the smashing of the "gang of four" ended the 2-year fluctuation. In this short process, in the wake of their political consciousness, people once again aspired to achieve the "four modernizations" and generated the spirit of rejuvenating the Chinese nation. Our country's reform has occurred in line with this historical trend. Once the driving force was released, it could not be recalled and, therefore, it was impossible for us to wait to conduct the reform until after ample "theoretical designs" had been devised. At the same time, it should also be noted that the 3d Plenary Session of the 11th CPC Central Committee has provided a theoretical basis for the reforms. We have not only seriously reflected on the "leftist" errors but also examined the reforms conducted in East European countries. Therefore, neither can we say that we have not made any theoretical preparations. The idea that "we should have done such and such a thing at the beginning" is a bit too "idealized."

"Crossing the river by groping for the stones" is a graphic metaphor. Its meaning is very clear, i.e., given that we do not have any ready-made pattern to go by in reform, we should, in line with Marxist theories of knowledge and of practice, explore new grounds, boldly practice, and dare to innovate. This is different from the case of "a blind man riding a blind horse." Not only does it not reject theory but it also includes theoretical explorations in the course of practice. No step in reform is without from theoretical thinking. The discussion on the criterion of truth, the objective of socialist production, and the building of socialist spiritual civilization, the establishment of the theory that the socialist economy is a planned commodity economy, and the advancement of the productive forces criterion and the theory on the initial stage of socialism have penetratingly broken through rigid concepts, promoted ideological liberation, and explored the outcome of rational knowledge—theory—so that it can give scope to its guiding role in

reform. The decade since the 3d Plenary Session of the 11th CPC Central Committee is one in which the people of our country, led by our party, have effectively engaged in practical creativity and have engaged in theoretical creativity in an unprecedentedly lively manner. The achievements attained in reform are the outcome of the party, the theoretical circles, and the masses of the people thinking in theoretical terms. The theory of building socialism with Chinese characteristics, which gradually took shape and which was established at the 13th CPC Congress has, in fact, guided and continues to guide the implementation of our reform and construction. It is understandable that people should demand forwardness and integrity in this reform theory, but theory cannot exceed the limits provided by practice. Therefore, it is not correct to say that we have not had theoretical guidance in this reform.

Needless to say, because of the uneven Marxist theoretical levels in the ranks of our cadres, the longstanding influence of "leftism," and the inertia of our thinking, we have differing views on the theory of "crossing the river by groping for the stones." There are instances in which we one-sidedly stress practice to the neglect of theory. We have even joined with the ideological concepts of empiricism and pragmatism and done something contrary to logic, such as being impatient for success, acting blindly and overheatedly, seeking material gain, undertaking all neglected tasks at the same time, being shortsighted, killing the geese that lay the golden eggs, changing policies all the time, and not taking the future into account. Usually we regard this as a question of understanding but "understanding" is essentially a question of thinking in theoretical terms.

Deviations and errors in reform and construction are directly related to deviations from the guidance of correct theory, to the lack of theoretical thinking, and to the shackles of metaphysics. The existence of many problems is obviously not due to "holes" in the theory. The commodity economy is a "two-edged sword." The decision of the 3d Plenary Session of the 11th CPC Central Committee on reform of the economic structure and its differentiation of the socialist commodity economy and the capitalist commodity economy incisively pointed out that if, in the practice of developing the commodity economy, we can effectively control it and be promptly alert to the negative functions of the commodity economy, we can avoid or reduce many chaotic phenomena. The "criterion of productive forces" is a fundamental criterion of historical significance. Because this theory has been understood in an oversimplified and vulgar manner, and because this theory has been used in place of intermediate, specific criteria for judging different things, a blind overheated (not limited to the economy) sentiment has been encouraged. The unfavorable consequence of undermining macroeconomic effects and coordinated social development have also been very obvious. If we look for the subjective causes of the startling phenomenon of "spiritual slide," we must admit that the

theory and guiding principle on building socialist spiritual civilization, which was expounded in detail at the 12th CPC Congress, especially the 6th Plenary Session of the 12th CPC Central Committee, have not been satisfactorily grasped and implemented. Because of the nation's low cultural level, the force of habit of small production, and the longstanding fetters of "leftism," the quality of theoretical thinking on the part of our cadres and masses is also relatively low. On the one hand, this will cause our thinking in formulating theories and making decisions to be lopsided to some extent; on the other hand, we tend to have a perverted understanding of prosperity, democracy, and civilization, the three-in-one objective of modernization and the policy-principle of reform, thus departing from our intentions in practice and even acting in a way that defeats our purpose. To put it in extreme terms, "All good things can be managed badly."

Our age has brought forth strong theoretical awareness and called on people to raise their theoretical cultivation and strengthen thinking in theoretical terms. At present, we not only have the problem of theory lagging behind practice and facing the challenge of practice, but we also face the problem of many comrades being unable to grasp and apply the existing theory in an all-round and in-depth way. Arming ourselves with theory put forth by the 13th CPC Congress does not mean that we should memorize and recite some principles and "apply" them as people "put on boots and hat" or regard them as "a new set of words" to be discussed at meetings. Indeed, it is very important for ordinary cadres and people to improve their ability to think in theoretical terms but it is even more so for the leading cadres at all levels who take part in the decisionmaking process. We should establish a scientific method of thinking and apply this method in reflecting in an all-round way on the reform and construction over the past decade, correctly analyze and understand social contradictions, remedy various disorderly conditions, creatively implement the guiding principle of the 3d Plenary Session of the 13th CPC Central Committee on improvement and rectification and deepening the reform, find a way to extricate ourselves from our predicament, and genuinely use the theories of the 13th CPC Congress to answer and solve the problems cropping up in the course of practice.

## II. The Ability To Think in Theoretical Terms Is an Internal Factor in Integrating Theory With Practice

"Integrating theory with practice" is one of the party's three important styles of work and a principle we must observe in all fields of endeavor. It is so often talked about that few people reflect on its true meaning. How are we getting along in "integrating" theory with practice? Since the party redefined the ideological line of seeking truth from facts, we have made great progress in integrating theory with practice, but there is still a very big gap. The emergence of various phenomena, such as rushing headlong into mass action, practicing rigid uniformity, cooking everything in the same pot, exceeding

the proper limits in righting a wrong, falling short by going too far, and approaching reform from an idealistic point of view, shows that we have not been so good at "integrating" theory with practice. The problem perhaps does not lie in our unwillingness to integrate theory with practice, but in our inability to think in theoretical terms, and therefore we cannot correctly and satisfactorily integrate theory with practice.

In the view of some comrades, the main problem now lies in "practice departing from theory." They criticize leading cadres for failing to attach importance to, listen to, and respect the views of theoretical workers so that "theory cannot enter the decisionmaking process." This is not without reason but it is also not without bias. There are certain conditions for theory to "enter" the decisionmaking process: theory has to go through the minds of decisionmakers. This is not only a question of "attitude." Moreover, different theoretical workers often have different views, which makes it hard for listeners to decide what is right. What is overlooked here is that an important factor in whether or not theory can integrate with practice lies in the quality of people thinking in theoretical terms. The relationship between theory and practice is one between "an arrow and a target." This is only a description. In fact, it is not as simple as "aiming an arrow at a target." The effect of a theory is often not direct and short-term, nor are its "actual" manifestations invariably "clear at a glance." We should not grasp the integration of theory with practice in a pragmatic way because this is not a case of "taking one's seat according to the number on the ticket," nor should we demand "instant results." In integrating theory with practice, it is necessary for the principal engaging in practical activities to correctly grasp the objective reality and make a scientific summary. Moreover, he should also be able to make a correct judgment and a correct choice on different theoretical concepts. A person engaging in practice does not necessarily have a lot of theories or the right time and conditions, but he should have a certain ability to think in theoretical terms and thus from his work create an internal demand for theory and realize the importance to be attached to theory. The acceptance of theory by people engaging in practice is a complicated process of comprehending, developing or discarding, identifying, and absorbing a theory and turning it into his own rational knowledge and practical action. Therefore, the ability to think in theoretical terms is an intermediary and an internal factor in the integration of theory with practice. Without theoretical thinking, it would be impossible to make scientific decisions. In the course of implementing scientific decisions, we also need theoretical thinking to ensure the decisions are "consistent" in keeping with a scientific character. If our ability to think in theoretical terms is poor, it will be very difficult to use even a good theory to guide practice, just as it is impossible for a baby to grasp concepts.

Theories come from practice but the latter cannot "automatically" generate a theory. Theoretical thinking consistently runs through the process of practice, recognition, and practice. Our reform is a conscious, purposeful activity of social practice. Those engaging in reform should understand the links between different things, as well as their causality, systematically reflect the multi-level quality and richness of social structure, and use reason to govern their actions and to test, revise, and complement their understanding in the course of practice. Without theoretical thinking, practice can be only blind practice. Maintaining political unanimity with the CPC Central Committee is different from the practice of "closely following," acting, and responding to the prevailing trend during the Great Cultural Revolution. Sentiments and impulses are not ideology. We should not follow feelings and trends of thought. Marx said: "The question whether objective truth can be attributed to human thinking is not a question of theory but is a practical question. In practice man must prove the truth, that is, the reality and power, the temporality of his thinking."<sup>2</sup> Integration of theory with practice is a two-way function, including the application of theory to guide and engage in practical activities and the cultivation and improvement of the ability to think in theoretical terms in the course of practice, and the refinement, generalization, and distillation into a new theory. In this sense, theoretical creation is not only a matter for a small number of theoretical workers. The great act of the people in their hundreds of millions doing practical things is fertile soil for the generation of theories. It can be said that the level of thinking in theoretical terms on the part of cadres and the masses of the people directly affects the theoretical creativity of our whole nation. In integrating theory with practice, it is imperative to work in a creative way. Working creatively means daring to open up new paths, creating unprecedentedly new things. It is a manifestation of people's subjective activity. If people can only blindly follow suit, reform will be out of the question. The party's principles and policies are the outcome of creative work and should be implemented through creative work. Without the creativity of the vast numbers of cadres, it will also be difficult for good principles and policies to play their role. However, creation is not tantamount to doing things willfully. If we examine the origin of such arguments as "being flexible" and "stepping on the red line," we can see that they basically respect the creative spirit of the masses instead of being restricted by conventions. "Red-letterhead documents" are the summation of people's practical experience; the party and government organs should eliminate and discard those which have become invalid and are no longer applicable. Therefore, although such arguments are not well-knit, they give no cause for criticism. However, after being promulgated they are widely divergent from the original intentions and serve as bases or pretexts for disobeying orders and prohibitions and adopting measures to counter party policies. The cause of disobeying orders and prohibitions is very complicated but it has something to do with the poor quality of thinking in theoretical terms on the part of our cadre

ranks. In the view of some people, it is good to "make a breakthrough" but they do not calculate the consequences. We have had a profound lesson in moving from rational to irrational. Now that we engage in improvement and rectification and stress strict enforcement of orders and prohibitions, is it still necessary to advocate creative work? Naturally it is. Improvement and rectification do not mean negative retrenchment, still less do they mean a backtrack or return to an old structure. Without bringing into play people's creativity, how is it possible to uphold the general policy of reform and opening up? Thinking in theoretical terms is creative thinking; a yardstick with which to measure thinking in theoretical terms is whether or not we can work in a creative way. The problem is how we reflect and what we use as a basis to determine our conduct. On the question of integrating theory with practice, we should consider not only the question of whether or not we have theoretical guidance, but also the question of whether our theory is suited to the demands of the socialist modernization program. Due to some chaotic phenomena in economic, social, and spiritual fields, people tend to question whether our reform theory is complete or not. In my view, since we have already developed and established the theoretical framework of building socialism with Chinese characteristics, it is unnecessary to endlessly stress crossing the river by groping for the stones. It is especially unnecessary to use it to reject the role of theory. We must attach great importance to exploratory theoretical studies to attain the constant development and perfection of theories. The 13th CPC Congress has established the basic viewpoints and outline of the theory of building socialism with Chinese characteristics, expounded the party's basic line at the present stage, and put forward the objective and blueprint for an all-round reform. However, the changing world pattern, the reunderstanding of socialism, the complexity of the national conditions, and the new conditions and questions cropping up in the course of great social changes do not allow us to pause. It is imperative to enrich, develop, and deepen this theory in practice and use the basic tenets of Marxism as a guide to establish a theory which is in keeping with such modernization objectives as prosperity, democracy, and civilization, and which meets the needs of China's socialist modernization cause, so that the reform can develop in an all-round, coordinated, and sound way. To accomplish this mission, it would be inconceivable not to improve the ability of all our cadres to think in theoretical terms. Here, it is necessary to understand exploration in an all-round way. Respect for and dependence on practice do not mean that we should believe in direct experience in everything. Undoubtedly, we should proceed from our special national conditions in conducting reform, and our objective is to build socialism with Chinese characteristics. The phrase "special characteristics" contains the meaning of taking as reference indirect experience, especially the historical experience that has been made public in other countries. Man has the ability to understand society. Explorations are not always practical explorations. It is necessary to stress and attach importance to the

exploratory function of theory. The full airing of various theoretical viewpoints enables practice to take a less roundabout course and pay a lesser price. On this count, we often face two circumstances: First, we are used to regarding a theoretical article (especially an authoritative one) as a "quasi-document," and the emergence of a new viewpoint often gives rise to vacillation in work; second, we are apt to be surprised or alarmed at an erroneous theoretical viewpoint or one which we cannot understand for the time being. This mode of thinking does not contribute to theoretical explorations or the development of thinking in theoretical terms.

### III. Make Further Efforts To Extricate Ourselves From the Fetters of Outdated Modes of Thinking

"Theoretical thinking in every age, and hence theoretical thinking in our age, is an outcome of history. It has a very different form in a different age and, therefore, has very different contents."<sup>3</sup> The age character of theoretical thinking is determined by the production modes and the level of scientific development of that age and, to a great extent, is subject to the restrictions of ideology. It may develop into an inertial mode of thinking, the so-called "thought set" [si wei ding shi 1835 4850 1353 0528]. When the historical process moves forward, it is still entangled with concepts and affects our thinking for a long time. Therefore, it is necessary to improve our ability to think in theoretical terms and make further efforts to extricate ourselves from the fetters of outmoded modes of thinking.

A great irony during the Cultural Revolution was that, on the one hand, dialectical materialism was the only orthodoxy and, on the other hand, metaphysics was rampant. This was not accidental. For a long time, the "leftist" line, especially the Cultural Revolution, has brought Marxist theory of knowledge into a pan-political [fan zheng zhi hua 3131 2398 3112 0553] orbit. This has deviated a long way from the ideological line of seeking truth from facts but people are intoxicated with the "popularization of theory." Since the 3d Plenary Session of the 11th CPC Central Committee, this section of history has been summed up and people's concepts have also been constantly upgraded, but its influence cannot be quickly eliminated. For this reason, we can still see its inverted historical image today.

Which outdated vestiges in our modes of thinking lag behind the great reform trends? We can generally cite the following points:

1. Dependence and blind obedience. Because of the deification of the leader, the firm belief in the rationality of "800 million people having one big brain," the political risks caused by independent thinking and upgrading of theory, and the defiant mentality of rejecting theory resulting from the inevitability of being "taken in" despite "diligent" studies, people have imperceptibly cultivated the habit of dependence and blind obedience. They have become ideological slugs who

have little interest in theory and neglect the role of theory. Generally speaking, they lay stress on the guidelines of the higher authorities, on typical effects, and on indiscriminate imitation; they attach less importance to studying the similarities and differences of conditions at the lower levels, to serious theoretical explorations, and to grasping the spirit and essence. They seldom reflect on the theoretical basis for formulating a certain principle or policy; they know the hows but not the whys, and think that since all the decisions have been made by the higher authorities, all they have to do is to act upon them.

2. The superficiality and vulgarity of thinking in theoretical terms. During the "leftist" period, the function of a theory was merely to expound the erroneous lines and casually cite examples in life as evidence of the "theory." The practice of calling on "all the people to discuss and apply a theory," explaining the theory "according to needs," applying it in sweeping, oversimplified, and mechanical ways, and arbitrarily integrating theory with practice, has led to the vulgarization of theoretical thinking. This force of habit still has manifestations today. For example, the phenomenon of being eager for quick success and instant results. As soon as a new viewpoint is put forward, some people are eager to demonstrate it, giving rise to specious arguments. Some people often directly equate theory with politics and thus overlook the retesting of theory in practice. Some people use theoretical concepts to explain complicated matters in a vulgar manner, such as taking the initial stage theory as a shield to protect some backward and retrogressive phenomena. Consequently, things are frequently done for the short-term only.

3. Static patterns of thinking. The mode of thinking during the "leftist" period did not lack abstraction, judgment, and inference. It is only that, when making such an abstraction, people proceed from certain aspects of a thing, make analyses and inferences in an isolated, static way, and so draw an erroneous conclusion. For example, "acting in direct opposition to the other party" and "I would rather have so-and-so than so-and-so"—these essentially belong to diametrically opposed modes of thinking. The effect of this close, solidified, and unitary mode of thinking has often resulted in people making fewer overall reflections, overlooking the concealed tendencies and the likely negative effects, relying on audio-visual experience and straight thinking, tending to believe things rather than taking a skeptical attitude, making self-deductions, and going to extremes by taking either this or that. On the one hand, they hold on to the prevailing traditional concepts and are slow in accepting new things and new concepts; on the other hand, they tend to go along with and run after new experiences and new formulations. For example, when the use of economic means was advocated to manage the economy, the practice of giving rewards and fines prevailed for a time, with the result that "those receiving the rewards were envied while those fined were afraid." When people were encouraged to get rich, money rose in

status from a "ghost" to an "angel." There have also been innumerable examples of "mass campaigns." When it was necessary to rectify a certain thing and to "scrape" back, it was imperative to "exceed the proper limits in righting a wrong."

4. The fetters of an outdated language system. As a unique form of reflection of social beings, thinking is related not only to social practice but also to language. Language is the instrument and shell of thinking. However, an established language system in keeping with a certain mode of thinking also restricts people's thinking. The political movements over the years have not only created many special terms and concepts, developed the literary form or style of mass criticism and of discussion and application, and cultivated the habits of reading from manuscripts when making speeches, but also brought forth a hardened form of language tinted with metaphysical color.

This often brings about the emptiness and solidification of thinking. People's languages lack meanings and they become accustomed to thinking according to certain patterns, avoid reality, and are unwilling or do not dare to come into contact with the essence of the matter. They use pat phrases and polite formulas which are insipid and devoid of content, attend to all aspects of a matter, act and speak in a well-organized way, make a fuss out of a trifling matter, and pay attention to raise everything to the plane of principle. This practice has imperceptibly fettered our thinking.

In arming the whole party with the theory of the 13th CPC Congress, it is necessary to carry out the principle of integrating theory with practice and to solve the question of study and application in order to lead and promote the socialist modernization program more satisfactorily. This makes it necessary to uphold the correct ideological line, to raise our ability to think in theoretical terms, and to establish a scientific mode of thinking. Fundamentally speaking, this is a question of world outlook and a question of stand, viewpoint, and method. The heart of the series of theoretical concepts defined by the 13th CPC Congress is to do away with the historical idealist concept in socialist understanding and to draw a clear line of demarcation between scientific socialism and various idle dreams. Only by working hard to apply the stands, viewpoints, and methods of dialectical materialism and historical materialism in understanding the conditions and problems of present-day China is it possible to genuinely study, grasp, and apply them and to further develop them in the course of practice. Raising the ability to think in theoretical terms means raising Marxist cognitive ability. Therefore, it is still necessary to encourage cadres to study a little philosophy. Thinking in theoretical terms is a method of dialectical thinking on a theoretical plane. "The most basic feature of dialectical thinking is to regard an object as an entity and to observe and study it from the movements and changes of its internal contradictions, as well as the mutual links of all aspects, in order to systematically and completely

understand the object in its essence."<sup>4</sup> We should persist in seeking truth from facts. In formulating and implementing policies, we should take as a basis the basic national conditions and objective facts of the initial stage of socialism, enhance systematic concepts, reflect on all related factors in an integrated way, correctly handle the relationships between the part and the whole and between the present and the long-term future, and understand the essence and free the law from the internal links of complicated contradictions and chaotic phenomena. Only in this way can we improve our decision-making and macrocontrol ability, promptly readjust our measures, increase foresight, reduce blindness and one-sidedness, and place our courage, resourcefulness, and determination on the basis of a correct understanding of the objective world. We should do so in the course of improvement and rectification and we should also do so in the future; we should do so when we are confronted with difficulties and problems and we should also do so when the situation develops smoothly. We have suffered too much for being impatient for success and getting carried away. Some people are afraid that, after improvement and rectification get the desired results, there will be another effort to "get going and go all out." It should be affirmed that we should never relax our fighting will and should retain a sense of urgency. The problem still is how we analyze practical conditions and how we consider problems, so as to reduce errors to a minimum and constantly ask whether our ideological line is on track.

Reform is the common undertaking of the people in their hundreds of millions. Without the people's understanding and support, it is difficult to attain success in reform. Therefore, raising the ability to think in theoretical terms is not only the work of the cadres or of the leading cadres, but also the common task of the whole nation. Improvement in terms of theory is genuine improvement. Only by improving the theoretical quality of all the masses of the people is it possible to gain an extensive common understanding, understand the development of and changes in the situation, learn to analyze various "hot spot" issues, have a clear understanding of the protracted, arduous, and complex nature of reform, improve our ability to sustain the strains mentally, rouse ourselves, strengthen confidence, unite as one in making a success of improvement and rectification, deepen the reform in an all-round way, and constantly push forward the socialist modernization cause.

#### Footnotes

1. Engels, *Natural Dialectics*, the People's Publishing House, 1971 edition, p 29.
2. *Selected Works of Marx and Engels*, Vol 1, p 16.
3. *Ibid.*, Vol 3, p 465.
4. *China Encyclopedia, Philosophical Volume*, Vol 1, p 54.

#### Strive To Do a Good Job in Education on Legal System, Ethics, and Ideals, and Preserve the Special Zone's Sound Social Features

HK1307105189 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 12, 16 Jun 89 pp 15-19

[Article by Li Hao 2621 3493, Shenzhen City CPC committee secretary and city mayor]

[Text] Shenzhen special zone was built and has developed from a small border town and its original economic and cultural background was extremely weak. Under the leadership of the central government and with the support of the various localities of the country, the special zone has achieved rather great successes in economic construction but in the construction of a spiritual civilization, achievements are still not adequate. Particularly in recent years, following the further deepening of the reform and the special zone's further opening up to the outside world, the commodity economy has increasingly demonstrated its vitality, which has enabled the special zone's economy to show signs of prosperity, but at the same time has brought along many problems in the political, ideological, and cultural sectors. In addition, Shenzhen is located geographically near Hong Kong and at the intersection of eastern and western cultures. This has caused conditions on the ideological side to become lively and complex. In order to truly establish a new order in socialist commodity economy, it is necessary to correspondingly build spiritual civilization; do a good job in solving the various problems in ideology, ethics, and behavior in the course of the development of the commodity economy; and preserve a good spiritual countenance. In actual practice in recent years we have come to understand that for the construction of spiritual civilization to meet these requirements, having done a good job in basic education and construction of basic facilities we must get a serious hold on the cadres' and the populace's education in the legal system, ethics, and ideals.

#### I

First, education in the legal system. This is most fundamental. A civilized society is built on a healthy legal system. Be it the people's economic life, political life, or cultural and spiritual life, it must be subjected to the regulation and restriction of the legal system. Certain relatively developed capitalist countries and regions, under the conditions of enforcing liberalism of economic "noninterference" and the existence of many defects, corruption, and degeneration in ideals and in the style of living, can still maintain the basic stability of the entire society because they have, to a large extent, depended on their legal system. Our socialist countries, in comparison with the capitalist countries, have a superior political system and also have many good economic conditions. If, in addition we had a comprehensive legal system and could cause the whole society to have an understanding of the legal system, to consciously obey the law, and to do

things in accordance with the law, then we could establish an even better system than the capitalists' and create the conditions necessary for the socialist society to be superior to the capitalist society.

Shenzhen is a young city. People came here from everywhere; the population structure is complex, there is a mixture of people of various qualities and levels, and there are also capitalists from different social systems. What should we rely upon for restriction and regulation? The answer is principally the legal system. The turn for the better in the special zone's social order and social atmosphere must be attributed to the building of the legal system, but the large number of problems still existing in the social order and social atmosphere are caused by the imperfect state of our legal system.

Institution of a legal system first of all depends on legislation so that there will be laws to depend upon. In recent years, besides earnestly and thoroughly implementing the constitution, laws, and regulations of the state, the Shenzhen Special Economic Zone (SEZ) has successively formulated and promulgated a series of regulations and policies designed to encourage introduction from the outside and liaison from the inside, such as, based on the "Regulations On Special Economic Zones in Guangdong Province," promulgated by the NPC Standing Committee, the 17 laws and regulations on land control, enterprise registration and control, registration and control regulations on companies of foreign relations, as well as regulations on contracts of foreign economic relations, measures on readjustment, preferential treatment, and reduction or exemption of fees for use of land, regulations governing bankruptcy of companies of foreign relations, and so on. In addition, we have organized forces to formulate the SEZ' administration and control laws, administrative litigation, administrative organizational laws, and, in coordination with the reform of the currency structure, housing reform, and work in connection with strengthening import and export control, we have formulated the relevant laws and regulations. In connection with building the SEZ' spiritual civilization, we are gradually building or perfecting the legal and regulatory systems including control of music and dancing halls, news publication control, musical and pictorial publication laws, books publication laws, and laws and regulations governing city public health, traffic, the urban environment, public safety, tree planting, and so forth.

However, the basic task of construction of the legal system is not merely legislation but is still educating people. Only through doing universal educational work on the legal system, letting the entire society form a concept of the legal system, forming a social atmosphere related to the legal system, enabling everybody to have laws to abide by, and also by possessing a clear understanding of what it is to abide by and use law, and by consciously abiding by law in handling the various kinds of contradictions and relations, is it possible to enable laws and regulations to play the necessary restrictive and

regulatory role in actual social life and to make social life proceed toward being standardized and legalized. Beginning in 1986 we have spread the law-universalizing work on a citywide scale. Based on the 5-year law-universalization program, we have progressed from grasping the backbone elements, and enforced the system of responsibility bearing at various levels, "the leadership doing the grasping, grasping the leadership, grasping the departments, grasping the regions, grasping level by level and all levels grasping the enforcement." In a well-led and systematic manner, according to the order of importance, at many and various levels and resorting to various and many channels, we have organized the entire body of citizens to study and learn from the "9 codes and one example" and the relevant regulations and rules of the SEZ. We took 1988 as "Shenzhen's year of building the legal system," advocating that the legal system must go on the right track and that the various kinds of management must go on the track of the legal system, and, revolving around this objective, strengthened education about, and set up the whole population's understanding of, the legal system. In the past, certain enterprises, on account of their lack of knowledge of the law and without paying any attention to law-abiding and law-usage, suffered not only from external cheating but also from confusion in internal management. Loopholes were rampant and conflicts occurred between the leadership teams and the two sides of the joint investment. This caused them to incur economic losses for several years in succession, and there also emerged many problems in public security and ethics. The strong grasp on education in the legal system has won not only support from the cadres, staff members, and workers on our side but also the approval of the people on the capitalist side.

Many of the joint venture enterprises, with the approval and support of the capitalists involved, have combined propagandizing education about the legal system with implementation of the CPC's policy of opening to the outside world, thus the enterprise's management personnel, staff members and workers are helped to increase their knowledge of policy and their knowledge of the legal system and to acquire the capability to employ policy and legal measures in enterprise management. Therefore the enterprise can not only achieve rapid economic development but can also affect a great change in its spiritual countenance. The fact that many joint venture enterprises have also become models in the building of spiritual civilization demonstrates that only through universal education in the legal system can we protect the smooth development of the special zone's construction of the two civilizations.

## II

In the Shenzhen special zone, in order to suit the development of the commodity economy and maintain a benign social environment, it is also necessary to positively develop education in socialist ethics. This is because even in a society with a rather sound legal system, it is still not possible to fix legal regulations

which govern all the acts of the people, nor to constantly exercise effective supervision. Besides, law is only an external supervisory condition, and to make social behavior become systematic and standardized, it still depends on people's own ideological and ethical consciousness to effect self-restriction. Ours is a socialist special economic zone. On the side of social atmosphere and behavior want to make a better showing than Hong Kong or other capitalist societies; we also should set higher standards than in the interior. This requires us to make greater efforts to develop education in ethics.

Ethics is a reflection of the economic foundation of a society. Economically, Shenzhen SEZ' most prominent features are the coexistence of pluralistic economic constituents, the proportion of a foreign capital constituency which is becoming increasingly larger, and the commodity economy which is becoming increasingly developed. The most basic innate demands in a commodity economy are freedom and equality, and competition is based on a free and equal status. On this score, people are aroused to do their utmost in displaying the potentials of their principal body, leading to the awakening and fostering of the principal body's ideas. Display of potential enhances the evolution of the time, benefit, information, reputation, and quality concepts, as well as the new concept of mutual respect among people. Therefore, the universal progress of social ethics is pushed and promoted. On the other hand, we must note that because of the fixed special feature of commodity economy and the influences of the political, ideological, and cultural conditions of the objective social environment, a certain kind of blind nature—unilaterally seeking interest and money as it accompanies the growth of the commodity economy—may generate a tendency that emerges from the special interests of the commodity producers and disregards the interests of consumers and the whole society in production and operations, and thus leads to certain people's inflated desires and degradation of ethics. For example, in production shoddy work and the use of inferior materials may occur. In addition, substituting substandard products for standard goods and, in services, "looking down on" other people may also occur. Certain cadres may use power to seek private gains, be corrupt, and accept bribes. In society there are scandalous acts such as smuggling, dealing in smuggled goods, cheating, and deceit, while between certain persons money may be used to seek unfair advantages and slogans such as "no money, no talk" may arise. All these happenings are frequent in the special zone.

Facing this serious situation where both progress and regression in the areas of economic development and ethics are displayed against the great background of the entire reform, only by strengthening ethical education, stopping ethical degradation, and pushing ethical progress can we promote the development of productive forces and economic prosperity, at the same time ensuring government employees being honest in their jobs and maintaining society's benign ideals and an ethical environment. On the one hand, we must fully understand

that we are still in the initial stage of socialism; Shenzhen is a special economic zone and at the same time an important port for import and export; it has a large floating population; and its population structure is very complex. On the other hand, considering the demands on the majority of people for ethical education and an ethical code, we must principally pursue education in social public morals and professional ethics, take as basic requirements the principles of love and fatherland, love the people, love labor, love science, and love socialism; only then can we be universally accepted. In recent years we have taken up training in good social public morals and professional ethics and begun work to improve the quality of the ideals and ethics of city citizens, as these are important tasks to grasp in the building of a spiritual civilization. Besides making clear and definite demands on the relevant departments of the party and government, we have mobilized labor, youth, and women's public organizations, as well as enterprises, schools, and street household units, to all take a hand in grasping these missions. Aside from carrying out the usual propaganda education, we have, through activities such as selecting "the city's 10 best taxi drivers," "civilized individual shoppers," "5-good families," and so forth, set up advanced and exemplary models, and thus strengthened the impressing and convincing power of education. At the same time, we have been aware of vicious phenomena and vicious tendencies that violate social public morals and socialist professional ethics, and we have punished according to law the various kinds of criminal elements in order to accomplish the educational objective of punishing the evil and praising the good, of supporting the righteous and rejecting the unrighteous.

On the other hand, we must note that socialist ethics and capitalist ethics differ essentially from each other. As a socialist special economic zone, we must strongly and with a clear-cut attitude uphold the ethical atmosphere of socialism. Hence, we constantly pay attention to educating and guiding people to correctly handle the relationship between the the principles of commodity competition and the socialist ethic of friendliness and mutual aid, the relationship between the principle of commodity exchange and the party's and state's rules and regulations on living, and the relationship between distribution according to work and making more contributions to society. We have demanded that Communist Party members, revolutionary cadres, and social progressive elements strongly insist on the four cardinal principles in developing the commodity economy, reject corrosion from capitalist corrupt ideals, and in the building of the special zone do the utmost in opening up, working selflessly for the public interest, and sacrificing one's self if necessary.

The two-sided education mentioned above cannot be absolutely segregated but must be carried out in organic combination. Without education on the first side, the entire society will lack the minimum ethical quality and ethical basis and without education on the second side, we shall be unable to truly prevent the infiltration of

capitalist defects, and cannot form in the special zone a socialist ethical atmosphere which is distinguished from the capitalist atmosphere. In 1987, on the basis of summing up the experiences gained since the special zone's taking up the ideological and political work and social ethical education, we called on people of the whole city to cultivate and display the special zone's spirit of "opening up, creating new, and offering one's self," that is, to try to do a good job in combining the ethical education on the two sides. Two years of actual practice have shown that the special zone's spirit had become a huge coagulating force and promotional force in building up the special zone and that it had aroused people's fighting spirit, aroused people for the sake of completing the special zone's various tasks assigned by the CPC Central Committee and the state council, to courageously open up, do their utmost, boldly reform, and continuously create something new, and make more and greater contributions to prospering China and realizing the four modernizations.

### III

Education in ideals is a higher-level ideological education. A society needs law and ethics to restrict and keep people within bounds, and more importantly needs to have a spiritual motive force to encourage people to progress. This spiritual motive force is the people's ideals. Engels said: "All that propels people to engage in activities goes through man's mind...the influence of the outside world on people is manifested in man's mind, is reflected in people's minds, becomes a feeling, idea, motive mechanism, attitude, and, in short, becomes a 'wish for the ideal,' and by means of this form turns into the 'force ideals.'"<sup>1</sup> Hence, simultaneously with grasping well the education in the legal system and education in ethics, it is necessary to earnestly grasp education in ideals and to grasp it well.

Ideals do not come out of nothing but are the product of the material living conditions of society in a given era, and therefore possess a clear social and temporal character. In Shenzhen, the people's common ideal is to "build the special zone, realize the four modernizations, and make China prosperous and thriving." Only by following this common ideal, combining the realities of different eras, and developing education in a planned manner can good results be achieved. For example, at the initial stage of Shenzhen's establishment, people demanded the rapid removal of the impoverished conditions and raising of the material living standard. The education in ideals at that time was principally to guide people to correctly understand and handle the relations between development of material construction and the level of material livelihood, and to understand that only through building a good foundation for the special zone's construction could we gradually improve and raise the material living level. This thus unified people's subjective demands and the objective needs of the special zone's construction, and converted it into a strong force pushing people to engage in hard and difficult struggles,

to open up and to progress forward. With the building of the special zone achieving relatively great successes, the economy having developed relatively speedily, and people's living standards having been relatively greatly improved, education in ideals principally turned to guiding people to correctly understand and handle the relations between material living and spiritual living, prevent and overcome the certain trends of one-sided understanding of the meaning of life and of seeking and obtaining material interests confined to the moment, resist the corrosion of corrupt capitalist ideas, and displaying a bullish spirit of hard and difficult struggles and serving the people. A few years ago, in the special zone's economic construction we wished to effect the strategic conversion from merely putting up stalls and building the foundation to developing to a higher level and seeking actual benefits, but at the time we faced the new conditions of the whole country tightening the money market, cutting down the scale of capital construction, and carrying out economic readjustment, as a result of which we met immense difficulties. We then devoted great efforts to penetratingly develop, among the cadres, staff members, and workers of the whole city the ideal of "building up the special zone, making China prosperous and thriving, and accomplishing the four modernizations." We called on the people to do a good job in performing their own tasks in combination with realizing the far-reaching ideal, to continuously raise the scientific and technological level, increase the economic benefits and the social benefits, strive hard to "climb up" the "slope" in the conversion of the new and old stages of the SEZ construction, and to accomplish the various difficult tasks in the new stage of the zone's construction. In order to increase the effects of this education, we selected from the various units a score of cadres, staff members, and workers who were known to be broad-minded in ideals and who had accomplished rather great successes in their actual work, to take turns in making speeches throughout the city. We invited war heroes from the border front in south China, provincial and national labor models, and specialists in ideal education to the special zone to make work reports to the extensive masses of SEZ cadres, staff members, and workers. We employed exemplary models and educational specialists to make personal and convincing speeches so as to make people establish correct and far-reaching ideals and struggle for their accomplishment.

As for education in ideals for Communist Party members, from beginning to end we have firmly insisted on making demands of an even higher and stricter caliber. We have emphasized that Communist Party members working in the SEZ, particularly leadership cadres who are party members, should not only harbor a common ideal with the extensive masses but should also firmly set up the lofty ideal of communism and struggle continually for this ideal. In recent years, regardless of whether construction of the SEZ was in a period of smooth progress or in one of relative hardship, we have always adhered to the "four specials," which the central leadership comrades had advocated when they inspected the

special zone at its initial stage of establishment, namely, specially high consciousness, specially good working style, specially strict discipline, and specially high working efficiency, to educate the vast masses of party members, particularly cadres who are party members. We have further demanded each and every communist party member in actual work to take the lead in fostering and displaying the special zone's spirit of "opening up, renovating and offering one's self," to lead in observing discipline and the law, and to lead in observing social public morals and professional ethics. As a result of our firm insistence on grasping well education in the communist ideal and paying attention to displaying the exemplary role of Communist Party members, we have led the people to establish common and long term ideals and to promote the all-round and deep-going development of the special zone's construction of the spiritual civilization.

#### IV

Although education in the legal system, education on ethics, and education in ideals belong to different categories in the SEZ' ideological education, yet their purposes are the same. The three are closely related and hence cannot be separately pursued. In addition to—at different periods—outstandingly and according to the order of importance grasping well certain facets of education about the legal system, ethics, or ideals, in recent years we have also—in the course of strengthening and improving the enterprises' ideological and political work—emphatically advocated that the various enterprises cultivate and mould their own special enterprise spirit and enterprise culture. In the education of the party members we organized special forces and assigned special funds to make five cinema films on electronics for party members. In 1986 and 1988, respectively, an educational exhibit on party style and party discipline and one on being clean and honest were held, while more recently a large-scale conference was convened on the topic of education on honesty in government and discipline, and so on. Be it the building of enterprise culture or the development of the various forms of education for party members, education in ideals, on the legal system and on ethics is always incorporated. Seen from the role and benefits of education, people coming from different tribes and races, different localities, and different social systems are bound to have various degrees of differences in living habits and in ideological and ethical standards; however, in the understanding of the legal system they must be unified and cannot be the least bit confused. Hence, taking education in the legal system as the minimum degree of education but taking it at its most general and most basic, its role and benefits cannot be matched by education in the other sectors. However, education in ideals cannot stay forever at a set level but must progress. Only when people have established correct and far-reaching ideals can they dispel various kinds of interference and overcome various kinds of difficulties and impediments, fully display their own subjective initiative and positivism, and bravely advance. Only

when people have established a firm concept of discipline and a good ethical concept can they generate strong self-control and immunity from evil, reject the inroads and corrosion of capitalist corrupt ideas, maintain a sound mind and body, and realize their lofty ideals.

Naturally, in view of the Shenzhen SEZ being situated in an extremely complex environment, the contents of its ideological education are extremely extensive and rich, and the three levels of education in the legal system, ethics, and ideals cannot completely encompass or replace all ideological education of the special zone; but if we can grasp the main conflicts and importantly and outstandingly grasp these three educations on the legal system, ethics, and ideals, the entire society's politics, ideas, and culture will naturally generate big changes. It can be imagined that if everybody has a good legal sense and works according to law, then stability will definitely reign insociety. If everybody adheres to high ethical standards, then the social environment will be definitely benign, and if a substantial portion of the people harbor lofty and far-reaching ideals and work relentlessly for them, then this society will definitely be prosperous and thriving. With all this accomplished and done well, the whole society will exhibit a benign spiritual countenance, and the picture will definitely be sunny and thriving. Facts have already testified to, and are continuing to testify to, this truth. We are precisely, in actual practice, grasping in earnest the three part education in the legal system, ethics, and ideals; this has played an immense role in bracing our spirits, encouraging our will to fight, and rejecting corrosion from the outside. This has not only greatly promoted the construction of the socialist spiritual civilization and enabled the special zone to turn for the better in social atmosphere and public security, but also has greatly promoted the building of the material civilization of the SEZ.

#### Footnote

1. *Selected Works of Marx and Engels*, Vol 4, p 228.

**Flaunt the Banner of Cooperatives While Carrying Out Enterprise Reform—Probing an Ownership Form of a Semi-Socialist Nature**  
*HK1307091189 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 12, 16 Jun 89 pp 20-22*

[Article by Zuo Mu 0146 3668]

[Text] Our country's several hundred thousand small industrial and commercial enterprises are currently facing the enormous and difficult task of reforming the ownership system. On account of their small scale, low organic structure and low labor productivity rate, if small enterprises, in installing the system of ownership by the whole people, experience excessive centralization in such sectors as supply and marketing, investment, and salaries and wages, the enthusiasm of the enterprises and the workers will be greatly hindered. Hence, we should, through various channels, convert the majority of small

enterprises owned by the whole people into the enterprises of local public ownership, of cooperative ownership, of share-holding ownership, cooperative system, and of ownership by private individuals. In my opinion, among the many forms of ownership systems, the system of ownership by cooperative members is one of the relatively ideal target forms in the reform of the small industrial and commercial enterprises at the present stage in our country.

Cooperatives in our country have a long history; the most outstanding forms were the agricultural cooperatives and handicraft cooperatives of the 1950's. Their economic benefits were high, their financial and credit conditions were good, and they were well supported by the populace. But when they subsequently developed to the state of being high-grade agricultural cooperatives and cooperative industrial plants or factories, profit dividends were no longer declared on their means of production and capital, and the system of ownership by cooperative members was changed into ownership by the cooperatives. Like the other systems of ownership by groups or collectives, they lost their special features and strong points.

In my opinion, although ownership by cooperative members is a type of collective ownership, yet the extent of the collectivization is lower than for other collective enterprises. The special features of this type of cooperatives are that the members are clear as to share value and that dividends are paid per share. Labor also gets its dividends. There is a definite ratio between the dividends payed according to shares and the dividends payed according to labor. Although the means of production are used collectively and work is done jointly, yet the ownership right separately belongs to the individual members. After the reform, the share funds among the members may vary. But the maximum and the minimum number of shares should be regulated. This is because these type of enterprises have little capital and few profits; if a minority of people hold too large a portion of the shares, and receive too much of the profits, the labor enthusiasm of other people will be affected. On the other hand, if the members do not put up any share capital (buy shares), the cooperative will lack production funds, and this will be disadvantageous to production development.

People outside the cooperative cannot be shareholders. On this point we can differentiate between the system of ownership by members of the cooperative from the stock system. Some cities have called this type of enterprise a cooperative stock enterprise. It seems to me that mixing together "cooperative" and "stock" is not exactly proper. If enterprises issue stocks and shares both internally and externally, they are no longer cooperatives but are stock companies.

Within a cooperative both capital and labor participate in the distribution of dividends. In a small enterprise this in particular can easily increase the members' enthusiasm and add to their drive. I not only advocate the

distribution of capital dividends, but, in addition, I am in favor of, in a small enterprise, distributing all after-tax profits to the cooperative members. When expanded reproduction is required, funds can be raised again from among the cooperative members and the share capital of the members can be increased with capital funds going to shares, and the next time there can be even more dividends. To encourage the cooperative members to invest more, when certain cooperative members use the dividends to reinvest in shares, this portion of dividend income should be exempted from individual income regulation taxes. By so doing, we can omit sundry deductions and make the cooperative members' labor income grow even faster. This increasing in shares can build the cooperative members' sense of responsibility as masters of the assets of the enterprise; and a clear knowledge of one's share of the collective assets can make the members more concerned with the enterprise's business conditions and the efficiency of capital.

I advocate that, in a cooperative, in distributing all of the after-tax profits in the names of the individuals, that we "divide all" but not "consume all," and that the cooperative members be allowed to reinvest. This proposal of "dividing all" has caused disputes within theoretical circles. Some comrades remembered Marx's previous criticism of Lasalle. The latter advocated distributing all income from labor without any deduction at all to the workers, and took this as distribution required under socialism. This naturally is not correct. My proposal of distributing after-tax profits to the workers is not on the condition of "without any deduction whatsoever." The tax payment by the enterprise to the state is a deduction. My proposal calls for distributing in the workers' names the funds prepared for use in expanding reproduction, and then letting them reinvest it in shares; it is not saying that the leadership of the cooperative first decides on retaining a large or small amount for accumulation, and then takes the remaining portion as a consumption fund to be distributed among the workers. This latter method has been in practice for many years, but the results are not good. The method of letting the leadership of the cooperative decide on the amount of the deduction for accumulation is, relatively speaking, subjective and random in character and, besides, it frequently happens that aside from meeting the demand for expanding reproduction, deductions for various other alleged uses are made. For example, the department in charge may make deductions to cover management fees, business fees, public reserve funds, and so on. Some are tantamount to irrational impositions and levies. As for the enterprise, it has no defense and all it can usually do is to hand the money over. After the many deductions, very little of the profits comes into the hands of the staff members and workers. Therefore, to first distribute the development funds to the members of the collective and then have these members purchase shares is a good method to escape random deductions by the relevant government departments and the leadership organ of the cooperative. It has the benefits of cutting down corruption and extravagance, strengthening democratic supervision by

the members of the cooperative, and increasing the transparent character of the assets of the cooperative.

As for Lasalle's proposal of making no deduction at all and Duhring's idea of an economic commune not retaining any accumulation, we need to make a concrete analysis from the historical standpoint. These proposals were made at the initial period of the appearance of cooperatives in the preceding century and were pushed forward by petit bourgeois socialists for the sake of protecting the interests of small producers. This was because the small producers had little capital and could earn only small profits, but could not stand a distribution process subjected to multiple deductions. A few years ago, I visited certain small industrial cooperatives and agricultural supply and marketing cooperatives. I found that they still basically distributed the profits to the society members and subsequently made loans from the banks or raised funds among the cooperative members to solve the problem of capital funds for reproduction. The purpose of doing so was to protect the interests of the small producers. Naturally, it was erroneous for Lasalle and Duhring to propose these small private owners as the pattern or guiding principle of socialism, and there was every reason for Marx and Engels to adopt a critical attitude against them. The idea of distributing all the profits definitely has the advantage of protecting and maintaining the interests of the small producers. Although it is not a socialist proposal, it does have a positive significance in consolidating the cooperatives. Among this type of small cooperatives in our country at the present stage, the assets should be owned by the individual members. To protect the interests of the members, we ought to follow the policy of concealing the wealth in the society members. Let the society members do their own accumulation and increase their individual share capital. This method of distribution naturally is not totally socialist, but it is certainly suited to cooperatives fitomh the initial stage of socialism and suited to the small enterprises adopting the cooperative system. I firmly believe that this proposal can arouse the enthusiasm for labor in the members of the cooperative.

Profit dividends of capital are of a nonsocialist character. But collective labor and the cosharing of benefits are of a socialist nature. Therefore, this type of cooperative, in which both capital and labor take part in the distribution of dividends, belongs to the category of enterprises of a socialist nature.

Cooperative societies of a semisocialist nature are mostly enterprises that have little capital and small profits; the state should continue to give them support and preferential treatment in matters of taxation, credits and loans, and so forth. In proposing a standardized pattern for cooperatives, my objective is to provide the relevant departments with a basis for the formulation of a policy of support and preferential treatment. In actual practice, many cooperatives may develop into stock

companies or other forms of enterprises. The above-mentioned pattern cannot and should not be taken as the basis for restricting the development of cooperatives or their evolution.

Some comrades fear that to characterize this type of cooperative society as being of a semisocialist nature may make people feel they are not very honorable and may also generate anxiety to make the transition to a "higher-grade cooperative." I rather believe that when making an economic analysis, (not in all cases) pointing out the nature of cooperatives is necessary. This is because considering capital dividends as a nonsocialist element is a correct and true conclusion. As for honorable or not, if only we can state the reason clearly, the misunderstanding can be removed. At present our country is still in the initial stage of socialism, and if the "initial stage" is clearly pointed out then everybody should not feel any lack of honor, but may find that many problems have been solved. In the initial stage, for the sake of meeting the development demands of productive forces at different levels, it is necessary to have a pluralistic structure in the ownership system. The various forms of the ownership system all have their positive role, and all are relatively stable economic forms. For a considerable length of time, there will not exist the problem of the transition from one form of ownership system to another. It is an entirely normal phenomenon for the workers, because of the differences in their individual conditions, opportunities, and likes or dislikes, to work separately in one category or another category of enterprises and to have contact and relations with this or that type of ownership system. Hence, we should not rate these on the basis of the nature of the system; what we should compare are the individual innate qualities of the worker, his labor efficiency, labor attitude, quality of his products or quality of his service, as well as his contributions to society. In making a factual analysis of the nature of the various kinds of economic elements and ownership systems, whatever it is what it is, and this is the only scientific attitude.

#### A Brief Discussion on Dislocations in Spiritual Production

HK1307091189 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 12, 16 Jun 89 pp 23-25

[Article by Gao Zengde, Ding Dong; not translated]

#### A Long-Distance Running Poet

HK1307091189 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 12, 16 Jun 89 pp 26-29

[Article by He Jingzhi; not translated]

#### Latin American Countries Are Exploring a New Path of Developing the National Economy

HK1307091189 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 12, 16 Jun 89 pp 29-34

[Article by Wang Hexing; not translated]

**China's Prosperity Is 'Just a Matter of Time'—Reading 'The Rise and Fall of a Big Nation'**  
*HK1307091189 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 12, 16 Jun 89 pp 35-37*

[Article by Jian Yi; not translated]

**A Management Science That Merits Attention—the Study of Organic Behavior**  
*HK1307091189 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 12, 16 Jun 89 pp 37-39*

[Article by Xu Liancang; not translated]

**Scenic Spots in Wuling**  
*HK1307091189 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 12, 16 Jun 89 pp 40-41*

[Article by Feng Hui; not translated]

**The Beauty of Wuzhou**  
*HK1307091189 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 12, 16 Jun 89 pp 41-42*

[Article by Cheng Zhiwei; not translated]

**Going to Jinshitan 3 Times**  
*HK1307091189 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 12, 16 Jun 89 pp 42-43*

[Article by Jin He; not translated]

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*HK1307091189 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 12, 16 Jun 89 pp 44-48*

[Not translated]